A/59/11

United Nations

Report of the Committee on Contributions

Sixty-fourth session
(7-25 June 2004)

General Assembly
Official Records
Fifty-ninth Session
Supplement No. 11 (A/59/11)

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United Nations • New York, 2004

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ISSN 0251-8430

[7 July 2004]

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I. Attendance

1. The sixty-fourth session of the Committee on Contributions was held at United Nations Headquarters from 7 to 25 June 2004. The following members were present: Kenshiro Akimoto, Alvaro Gurgel de Alencar, Meshal Al-Mansour, Petru Dumitriu, David Dutton, Haile Selassie Getachew, Bernardo Greiver, Hassan M. Hassan, Ihor V. Humenny, Eduardo Iglesias, Omar Kadiri, David A. Leis, Bernard G. Meijerman, Hae-yun Park, Eduardo Ramos, Ugo Sessi and Wu Gang. Sergei I. Mareyev was unable to attend.

2. The Committee elected Mr. Sessi as Chairman and Mr. Greiver as Vice-Chairman.

II. Terms of reference

3. The Committee conducted its work on the basis of its general mandate, as contained in rule 160 of the rules of procedure of the General Assembly; the original terms of reference of the Committee contained in chapter IX, section 2, paragraphs 13 and 14 of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), adopted during the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 (I) A, para. 3); and the mandate contained in Assembly resolutions 46/221 B and C of 20 December 1991, 48/223 B and C of 23 December 1993, 52/215 B of 22 December 1997, 53/36 C and D of 18 December 1998, 54/237 B and C of 23 December 1999, 54/237 D of 7 April 2000, 55/5 B to D of 23 December 2000, 57/4 B of 20 December 2002, 57/4 C of 15 April 2003, 58/1 A of 16 October 2003 and 58/1 B of 23 December 2003.

4. The Committee had before it the summary records of the Fifth Committee at the fifty-eighth session of the General Assembly relating to agenda item 124 entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/58/SR.3, 4, 5, 6 and 29); the relevant reports of the Fifth Committee to the Assembly (A/58/432 and Add.1); and the verbatim records of the 34th and 79th plenary meetings of the General Assembly at its fifty-eighth session (A/58/PV.34 and 79).

III. Methodology of future scales of assessments

5. The Committee recalled that rule 160 of the rules of procedure of the General Assembly called for the Committee to advise the Assembly on the apportionment of the expenses of the United Nations under Article 17 of the Charter. In addition, the Committee noted that, in its resolution 58/1 B, the General Assembly requested it, in accordance with its mandate and the rules of procedure of the General Assembly, to continue to review the methodology of future scales of assessments based on the principle that the expenses of the Organization shall be apportioned broadly according to capacity to pay. In this connection, the Committee recalled that, in its resolution 55/5 B, the General Assembly decided that the elements of the scale methodology would be fixed until 2006. Pursuant to Assembly resolution 58/1 B, the Committee began consideration of the results of the current methodology and possible changes or refinements for future scales.

6. The Committee had a first exchange of ideas on the different elements of the methodology. The Committee looked at the pattern of major scale-to-scale changes in Member States' rates of assessments in recent scales and concluded that changes in scale methodology were a significant factor in many cases. The Committee recalled that it had earlier recognized[1] that, while the scale methodology should not be so rigid as to fail to accommodate future changes in economic and technical circumstances, part of the Committee's mandate was to promote stability in the scale methodology. **The Committee agreed that any proposals for changes in the scale methodology should be seen in this light.**

7. In its resolution 58/1 B, the General Assembly requested the Committee on Contributions to continue its consideration of possible systematic criteria for deciding when market exchange rates (MERs) should be replaced with price-adjusted rates of exchange (PAREs) or other appropriate conversion rates for the purposes of preparing the scale of assessments, taking into account the relevant provisions of resolution 46/221 B, and to report thereon to the Assembly at its fifty-ninth session. **The Committee undertook an initial review of the criteria for deciding when to replace MERs and decided to consider the matter further at its sixty-fifth session on the basis of additional information from the Statistics Division.**

8. In its resolution 58/1 B, the General Assembly also requested the Committee to continue to make a thorough analysis of the revised method of calculating PAREs and to report thereon to the General Assembly at its fifty-ninth session. The Committee recalled that it had first considered the revised PARE methodology at its fifty-ninth session and had considered additional information at several subsequent sessions. The revised method is based on a regression analysis between price and exchange rate observations over a long time period and uses the regression to select the base year. In the process of developing the concept, however, it became clear that the method had serious shortcomings as a tool for adjusting exchange rates for the purpose of preparing the United Nations scale of assessments. A long time series is needed, the majority of MERs in the series must be market-determined and the causal relationship between MERs and relative prices should be statistically reliable. These conditions did not hold true for many Member States and the method could even produce anomalous results, such as negative PAREs. **The Committee therefore decided not to consider the revised PARE method further.**

9. The Committee had a first substantive discussion on the concept of relative PARE, which reflects the movement of domestic prices relative to those of the United States, rather than their absolute movement. The careful analysis of economic data and economic policy undertaken by the Committee suggests that the relative PARE is a comparatively simple and appropriate method for adjusting MERs and, as a consequence, per capita gross national income, and that it overcomes the theoretical shortcomings of the absolute and revised PARE methodology. **The Committee decided to consider the matter further at its sixty-fifth session.**

10. **The Committee also decided to review other elements of the scale methodology at its sixty-fifth session with a view to reaching preliminary conclusions concerning the elements of the scale methodology for the preparation of the scale of assessments for the period 2007-2009, in order to assist the General Assembly in considering this question at its sixtieth session.**

IV. Criteria for ad hoc adjustments of the rates of assessment

11. In its resolution 57/4 B, the General Assembly decided to accept the recommendations of the Committee on Contributions to adjust the rates of assessment in 2003 for two Member States. It also requested the Committee to elaborate further on the criteria regarding ad hoc adjustments of the rates of assessment for consideration and approval by the General Assembly, in keeping with rule 160 of the rules of procedure of the Assembly, so as to facilitate further its consideration of such adjustments. It also emphasized the need to seek to preserve the integrity of the scale of assessments and noted that the decision regarding the two Member States is not a precedent and that future appeals by Member States under rule 160 would be considered on a case-by-case basis.

12. At its sixty-third session, the Committee on Contributions agreed that the circumstances surrounding requests for a change of assessments should be truly exceptional and extraordinary to warrant such a change. It also agreed that requests for ad hoc adjustments of rates of assessment should be based on the fullest possible information on the exceptional and extraordinary nature of the action being requested, and that the Committee and the General Assembly should have a sound basis on which to base their conclusions. In its resolution 58/1 B, the General Assembly endorsed the preliminary observations of the Committee. It also noted the Committee's decision to consider the question further at its sixty-fourth session and requested it to report thereon to the Assembly at its fifty-ninth session.

13. Following further consideration of this question, the Committee noted that, over a period of almost 60 years, there had been only a relatively limited number of appeals for a change of assessments and that changes in response to such appeals had been very rare.

14. **In that connection, the Committee recalled and reaffirmed its earlier conclusions concerning ad hoc adjustments of rates of assessment. The Committee noted that the two recent cases referred to above had been distinct in nature. One had been an ad hoc correction, stemming from problems with the data used in preparing the scale, and the other had been an ad hoc adjustment, reflecting substantive changes in relative capacity to pay since the adoption of the scale. In considering the question of criteria, the Committee focused on the latter category. The Committee concluded that the exceptional and extraordinary nature of such cases made it inevitable that they should be considered on a case-by-case basis, as provided for in Assembly resolution 57/4 B. It therefore felt that it would not be feasible to elaborate more specific standard criteria for possible future cases which would, by their nature, be exceptional and extraordinary.**

V. Multi-year payment plans

15. In paragraph 1 of its resolution 57/4 B, the General Assembly endorsed the conclusions and recommendations of the Committee on Contributions concerning multi-year payment plans.[2] These provided that Member States should be encouraged to submit multi-year payment plans, which constitute a useful tool for reducing their unpaid assessed contributions and a way for them to demonstrate their commitment to meeting their financial obligations to the United Nations; that due

consideration should be given to the economic position of Member States, as not all of them might be in a position to submit such plans; that multi-year payment plans should remain voluntary and should not be automatically linked to other measures; that Member States considering a multi-year payment plan should submit the plan to the Secretary-General for the information of other Member States and should be encouraged to consult the Secretariat for advice in its preparation, in which context it was suggested that the plans should provide for payment each year of the Member State's current year assessments and a part of its arrears and, where possible, the plans should generally provide for elimination of a Member State's arrears within a period of up to six years; that the Secretary-General should be requested to provide information on the submission of such plans to the General Assembly, through the Committee on Contributions; that the Secretary-General should be requested to submit an annual report to the General Assembly, through the Committee on Contributions, on the status of Member States' payment plans as at 31 December each year; and that, for those Member States that are in a position to submit a payment plan, the Committee on Contributions and the General Assembly should take the submission of a plan and its status of implementation into account as one factor when they consider requests for exemption under Article 19 of the Charter. In its resolution 58/1 B, the General Assembly reaffirmed paragraph 1 of its resolution 57/4 B.

16. In considering this matter, the Committee had before it the report of the Secretary-General on multi-year payment plans[3] prepared pursuant to the Committee's recommendations. It was also provided with updated information with regard to the status of payment plans.

New payment plans

17. The Committee took note of the payment plan submitted by the Niger in a note verbale dated 22 March 2004 to the Secretariat. This is included in the report of the Secretary-General.[3]

18. The Committee noted that, in the context of its request for exemption under Article 19 of the Charter, the Central African Republic indicated that its Finance and Budget Ministry is in the process of drawing up a long-term calendar of debt payments that it intends to announce very soon. The Committee recalled that the Central African Republic had indicated last year its plans to submit such a schedule of payments of arrears at a later date.

19. The Committee also noted that, in the context of its request for exemption under Article 19, Guinea-Bissau indicated that it would keep the issue of multi-year payment plans under continuous consideration and, as the country's situation normalizes, would establish such a plan as a matter of priority.

20. The Committee was informed that the Secretariat had included in the *Journal of the United Nations* from 1 March to 24 May 2004 an announcement that the Committee on Contributions would be considering multi-year payment plans at its sixty-fourth session and inviting any Member States intending to submit such a plan to contact the Secretariat for further information. The Committee noted that no further plans had been submitted.

Status of payment plans

21. The table in paragraph 21 of the Secretary-General's report[3] summarizes the status of the five payment plans reported on as at 31 December 2003. These plans had been submitted by Georgia in 2003 (its fourth), the Niger in 2004 (its first), the Republic of Moldova in 2001 (its third), Sao Tome and Principe in 2002 (its first) and Tajikistan in 2000 (its first). The Committee was also provided with the following updated information, as at 25 June 2004:

Status of payment plans at 25 June 2004

(United States dollars)

	Georgia				*Niger*			
	Most recent plan	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*	*Payment plan*	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*
1999				7 205 324				334 149
2000		116 120	184 443	7 188 001		27 082	95	361 136
2001		87 686	302 218	6 973 469		14 483	318	375 301
2002		114 552	70 298	7 019 723		15 723	3 233	387 791
2003		97 200	14 759	7 102 164		17 124	950	403 965
2004*	776 229	57 506	2 000	7 157 670	18 000	17 287	27 347	393 905
2005	776 229				40 000			
2006	776 229				45 000			
2007	776 229				50 000			
2008	776 229				70 000			
2009	776 229				98 000			
2010	776 229				98 000			
2011	776 229				98 000			
2012	776 229				30 000			
2013	776 229							

	Republic of Moldova				*Sao Tome and Principe*			
	Most recent plan	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*	*Payment plan*	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*
1999				3 386 720				570 783
2000		161 436	324 618	3 256 538		13 543	48	584 278
2001	180 000	38 395	163 254	3 131 810		14 254	157	598 375
2002	500 000	56 202	516 732	2 679 236	27 237	15 723	29 146	584 952
2003	800 000	38 883	861 278	1 856 841	42 237	17 124	929	601 147
2004*	820 000	19 309	201 105	1 675 045	59 237	17 287	0	618 434
2005	1 000 000				74 237			
2006					89 237			
2007					114 237			
2008					134 237			
2009					153 752			
2010								
2011								
2012								
2013								

	Tajikistan			
	Payment plan	*Assessments at 31 December*	*Payments/ credits*	*Outstanding at 31 December*
1999				2 436 208
2000	65 251	63 507	205 389	2 294 326
2001	67 822	18 727	296 251	2 046 802
2002	67 822	22 205	306 961	1 765 046
2003	67 822	19 439	296 628	1 487 857
2004*	67 822	18 884	180 800	1 325 941
2005	67 822			
2006	203 466			
2007	203 466			
2008	203 467			
2009	203 467			
2010	203 467			
2011				
2012				
2013				

* As at 25 June 2004.

Conclusions and recommendations

22. **The Committee recalled its earlier recommendations concerning multi-year payment plans and reaffirmed its earlier conclusion that multi-year payment plans are a useful tool for reducing Member States' unpaid assessed contributions and a way for them to demonstrate their commitment to meeting their financial obligations to the United Nations. The Committee recommended that the General Assembly encourage Member States in arrears to consider submitting payment plans.**

23. **The Committee noted with appreciation the considerable effort made by those Member States which had honoured the commitments that they had made when they submitted their multi-year payment plans. The Committee urged those that had not done so to make every effort to make the necessary payments and thereby steadily reduce their outstanding assessed contributions.**

VI. Measures to encourage the payment of arrears

24. In its resolution 58/1 B, the General Assembly noted the decision of the Committee on Contributions to consider further at its sixty-fourth session the question of measures to encourage the payment of arrears and requested the Committee to report thereon to the General Assembly at its fifty-ninth session.

25. The Committee recalled that it had considered this question since 1998 and that its conclusions were reflected in its earlier reports.[4] In considering the matter further, the Committee had before it updated information on measures used by

organizations of the United Nations system to encourage the payment of assessed contributions. A summary of this information is contained in annex I to the present report. The Committee also had before it a case study prepared by one of its members on the impact of incentive measures on timely payment of assessed contributions in WHO.

26. The Committee noted that a number of the measures that it had considered would be tied to timely payment of assessed contributions. In that connection, the Committee recalled that, at its fifty-ninth session,[5] it concluded that it might be prudent to fix the deadline for timely payment of assessments from the date of issuance of the assessments rather than from the date of their receipt, as currently provided for under the Financial Regulations and Rules of the United Nations. At its sixty-first session,[6] the Committee suggested that this could be accompanied by a short extension of the deadline, perhaps from 30 to 35 days. It had noted that such a change would require a revision of the Financial Regulations and Rules and that there would need to be some provision for the treatment of timely but misdirected payments or those that come to the attention of the Secretariat late even though paid on time. At its sixty-third session, the Committee recalled its conclusions in this regard and also recalled that a related proposal for the revision of financial regulation 5.4 (since renumbered 3.4) had been made by the Secretary-General in his report on measures to encourage Member States in arrears to reduce and eventually pay their arrears.[7] The text of this proposal is contained in annex II to the present report. The Committee noted that the General Assembly had taken no action on this proposal. **The Committee recalled and reaffirmed its earlier conclusion that it might be prudent to fix the deadline for timely payment from the date of issuance of the assessments, rather than from the date of their receipt, and to extend the deadline from 30 to 35 days.**

27. Having reviewed the information on measures used by other organizations of the United Nations system, some members concluded that the experience of those organizations suggested that disincentive measures or sanctions were more effective than incentives or rewards in encouraging the payment of assessed contributions. Other members did not agree and pointed to the different nature and assessment systems of a number of these organizations.

28. The Committee recalled that the General Assembly had decided that the Committee should not consider further a proposal for issuance of redeemable peacekeeping certificates. The Committee also recalled that it had decided not to consider further a proposal by one of its members for a new assessed fund, contributions to which would depend on each country's payment record, as it felt that the proposal was overly complicated and was unlikely to prove effective. The Committee further recalled its serious doubts about whether proposals to restrict the access of citizens and companies of Member States in arrears to opportunities for United Nations recruitment and procurement fell within its terms of reference. It recalled an earlier opinion of the United Nations Legal Counsel that the proposal that Member States in arrears should be ineligible for election to committees and other bodies is not a sanction provided for in the Charter and would therefore not be in keeping with Article 19 of the Charter. Members of the Committee had differing views on proposals for incentive payments based on the payment status of Member States, and for priority in reimbursements of troop and equipment costs to Member States which are current in their payments to the United Nations, and the Committee had decided to consider the proposals further at a future session on the basis of any

guidance from the General Assembly. **The Committee decided to withhold further consideration of these proposals pending more specific guidance from the General Assembly thereon.**

29. The Committee noted that there had been some discussion in the Fifth Committee about differential application of budgetary surpluses of peacekeeping operations, depending on the payment status of Member States. **The Committee therefore decided to consider further the proposal that only Member States that are current with their financial obligations to the United Nations should receive a credit in respect of budgetary surpluses and requested the Secretariat to provide related information.**

30. The Committee recalled that it had considered at its sixty-first and sixty-second sessions the question of interest on or indexation of arrears in the event that the General Assembly decided to impose them. **The Committee recalled and reaffirmed its conclusions and recommendations[8] thereon. In that connection, the Committee agreed that its conclusion that interest on arrears should only be applied to arrears arising after the adoption of the related decision should also apply to any other similar measures that the General Assembly might adopt.**

31. One member suggested that a composite approach might be considered. For example, payment received within a specified period after the issuance of the assessment, e.g., three months, would attract a rebate or share of interest income, while payment received after a specified period, e.g., nine months, would attract a penalty. In this example, payments received between three and nine months would receive neither incentive nor penalty. **The Committee decided to consider this idea further based on information from the Secretariat.**

32. The Committee noted that separate accounts are maintained for the regular budget, the two international tribunals and each of the individual peacekeeping operations, some of which are no longer active. Due to a decision by the General Assembly, assessments for peacekeeping operations are issued as the corresponding budgets are approved, but only to the end of the mandate periods approved by the Security Council for each operation. In addition, since 1995, the General Assembly has allocated the unencumbered balances of peacekeeping operations arising after the end of their financial periods directly to each Member. As a result of this proliferation of separate assessments and credits, Member States may at any given time have credit balances in some accounts, pending their instructions, while having outstanding assessed contributions in others. One member suggested that credits arising in the accounts of closed peacekeeping operations for Member States that have arrears in the accounts of other closed peacekeeping operations should be applied automatically to those arrears so as to help to reduce amounts owed to Member States for troops and equipment costs. Others questioned whether this would be appropriate. **The Committee recommended to the General Assembly that it should encourage Member States with outstanding assessed contributions and credits to authorize the Secretariat to apply such credits to the amounts outstanding so as to reduce outstanding assessed contributions.**

VII. Application of Article 19 of the Charter

33. The Committee recalled its general mandate, under rule 160 of the rules of procedure of the General Assembly, to advise the General Assembly on the action to be taken with regard to the application of Article 19 of the Charter. It also recalled the Assembly's decisions in its resolution 54/237 C concerning procedures for consideration of requests for exemption under Article 19 and the results of its own recent consideration of this subject.[9]

Requests for exemption under Article 19

34. The Committee recalled that, in its resolution 54/237 C, the General Assembly, inter alia, urged all Member States in arrears requesting exemption under Article 19 to provide the fullest possible supporting information, including information on economic aggregates, government revenues and expenditure, foreign exchange resources, indebtedness, difficulties in meeting domestic or international financial obligations and any other information that might support the claim that failure to make necessary payments was due to conditions beyond the control of the Member States. The Assembly also decided that requests for exemption under Article 19 must be submitted by Member States to the President of the General Assembly at least two weeks before the session of the Committee so as to ensure a complete review of the requests.

35. The Committee noted that, on the basis of the latter provision, the deadline for receipt of requests for exemption under Article 19 by the President of the General Assembly was 24 May 2004 for consideration by the Committee at its sixty-fourth session. It also noted that an announcement to that effect was included in the *Journal of the United Nations* from 1 March to 24 May 2004. Ten requests for exemption under Article 19 were received by the time specified in the resolution. This compares with 9 received within the specified time frame in 2003, 7 in 2002, 3 in 2001, 7 in 2000 and 11 in 1999.

36. In considering the requests, the Committee had before it information provided by the 10 Member States concerned and the Secretariat. It also met with representatives of the Member States, the African Union and relevant units of the Secretariat.

37. **The Committee noted that the nature and quality of the information provided by Member States requesting exemptions under Article 19 varied widely, with some providing little, if any, information to support their request. In this context, the Committee recalled the provisions of General Assembly resolution 54/237 C and urged all Member States requesting exemptions under Article 19 to submit as much information as possible in support of their requests. It also requested the Secretariat to seek to provide as much detailed additional information as possible on the situation of those Member States.**

38. **The Committee recalled its conclusions and recommendations concerning multi-year payment plans. The Committee also noted that four of the Member States requesting exemption under Article 19 had presented multi-year payment plans for the payment of their arrears. The Committee encouraged all Member States requesting an exemption under Article 19 to consider, when possible, submission of a multi-year payment plan.**

39. **In order to ensure that the Committee's conclusions and recommendations are available to the General Assembly as soon as possible and in accordance with its past practice, the Committee authorized its Chairman to convey to the General Assembly without delay the related section of its report.**

1. Burundi

40. The Committee had before it the text of a letter dated 20 April 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 15 April 2004 from the Permanent Representative of Burundi to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Burundi.

41. In its written and oral representations, Burundi indicated that its socio-economic situation remained very serious. The years of war had led to a major reduction of its gross domestic product (GDP) and there were high rates of extreme poverty and of external indebtedness. Export earnings from coffee were down due to the impact of the conflict on production and lower international prices. While the security and political situation had improved, implementation of the agreements reached would require significant resources. Resources were also required for the disarmament process and the country was facing a number of strikes, including in the education sector. While efforts had been made to secure international assistance and pledges had been made, little had so far been forthcoming.

42. Despite these serious problems, the Government of Burundi, which is strongly attached to the ideals of the United Nations, had made a special effort to meet its financial obligations to the United Nations. It had been advised, however, that it would need to make a payment of approximately $14,100 to avoid the application of Article 19 in 2005. As it had in the past, the Government would make every effort to pay this amount. Given its circumstances, however, it was not sure that this would be possible. Accordingly, it was requesting an exemption under Article 19 should it be unable to make the necessary payment before 2005.

43. The Committee was provided with information by the Secretariat concerning the significant progress made in the peace process in Burundi. It also noted that the Security Council had authorized a new peacekeeping operation to assist the process, building on the earlier work of the United Nations political mission and of the African Union. Elections were scheduled to be held before the end of 2004 and international assistance would be needed for this and for the process of disarmament, demobilization and reconstruction. Earlier fighting had led to large-scale displacement of the population, with many thousands of refugees and internally displaced persons. The security situation was now significantly better, although there had recently been some fighting around Bujumbura, and efforts were under way for repatriation and resettlement of those affected. The internal conflict had seriously disrupted public services, including education and health, and there were concerns about the capacity to meet the needs of returning Burundians. Efforts to mobilize international assistance for Burundi had had only limited success. The consolidated appeal last year for over $100 million had only raised about $17 million so far and pledges of over $1 billion made at a meeting earlier this year in Brussels had not yet resulted in substantial disbursements.

44. The Committee recognized with great appreciation the considerable efforts that Burundi continued to make to meet its financial obligations to the United Nations despite the serious and continuing challenges that it faced.

45. The Committee recalled that Article 19 provided that the General Assembly may permit a Member subject to the provisions of Article 19 to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member. In that context, the Committee noted that Burundi did not in fact fall under the provisions of Article 19 in 2004. Accordingly, it concluded that no action was required by the General Assembly.

2. Central African Republic

46. The Committee had before it the text of a letter dated 24 May 2004 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 24 May 2004 from the Permanent Representative of the Central African Republic to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of the Central African Republic.

47. In its written and oral representations, the Central African Republic outlined the severe economic and social problems facing the country. The economy had not benefited during the post-conflict period and continuing internal security problems discouraged foreign aid and investment and hence the country's recovery and development. Most of the population was in extreme poverty and a large number had been infected with HIV/AIDS. Despite courageous initiatives by the Government to stabilize public finances, regulate the exploitation of natural resources, reduce official salaries and bring public expenditure under control, among other measures, there had been few results so far. The current lack of cooperative projects with international financial institutions also complicated the prospects for aid from the international community. In spite of these circumstances, the Government is aware of its obligations to the United Nations and a long-term calendar of payments is being drawn up by the Finance and Budget Ministry and should be announced soon.

48. The Committee was provided with information by the Secretariat. The Central African Republic had serious problems of governance, with corruption and tax evasion. As a result, government revenues were weak and the prospects for support from the Bretton Woods institutions seemed poor. Current conditions threatened a major humanitarian crisis. Agriculture had suffered from bad weather conditions for several years and internal security problems hampered efforts towards development. In addition, the health system had largely broken down and patients had to pay for their own medication, putting effective treatment out of the reach of many. This was taking place at a time when malnutrition and HIV/AIDS were prevalent. A consolidated appeal for $17 million had been launched in November 2003 but little had so far been received.

49. Some members considered that the continuing economic, social and security problems facing the Central African Republic meant that its failure to pay the minimum amount necessary to avoid the application of Article 19 was clearly due to conditions beyond its control. Other members had doubts, particularly as to whether this was the case with respect to the country's continued failure to make any payment of its assessed contributions.

50. **The Committee recalled that, at its sixty-third session, it had welcomed the intention of the Central African Republic to submit a schedule for the payment of its arrears and urged it to make some payments in future so as to reduce, or at least avoid an increase of, its arrears. The Committee noted that the schedule of payments mentioned in the last submission of the Central African Republic had not yet been received but that it was being drawn up and should be announced soon. It looked forward to reviewing the schedule at its next session. The Committee also noted that the Central African Republic had still made no payments since 1994, apart from a payment of $513,567 in 1998.**

51. **Based on the information provided, the Committee concluded on balance that the failure of the Central African Republic to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Central African Republic be permitted to vote until 30 June 2005. The Committee once again urged the Central African Republic to make some payments in future so as to reduce, or at least avoid an increase of, its unpaid assessed contributions.**

3. Comoros

52. The Committee had before it the text of a letter dated 21 May 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 17 May 2004 from the Chargé d'affaires a.i. of the Comoros to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of the Comoros.

53. In its written and oral representations, the Comoros recalled the prolonged political and constitutional crisis that had devastated its economic, social and political situation. National reconciliation had culminated in the election of a new Comorian parliament in April and election by the parliament of a president. The process had been costly and had strained the Government's limited resources. As a result the Comoros had not been able to pay its contributions to the United Nations or other international organizations. The new parliament would be taking up the issue of the payment of the country's arrears, possibly through submission of a payments schedule, and the representative of the Comoros indicated his expectation that it would not be necessary to ask for another exemption under Article 19 in the future.

54. The Committee was provided with information by the Secretariat concerning the distinct improvement in the political situation in the Comoros, with clear signs of national reconciliation. At the same time, it noted the continuing fragility of the situation in the light of the country's recent history. It also noted the country's continuing economic problems. With high population density and growth, recent negative economic growth had led to impoverishment of the people. Outside assistance would be important for some time. In that context, an anti-poverty strategy document had been agreed with UNDP and discussions were proceeding with the International Monetary Fund (IMF). If an agreement could be reached with the Bretton Woods institutions, this should encourage others to provide assistance through a donors' conference.

55. Some members considered that, despite recent positive constitutional and political developments, the fragility of the situation in the Comoros and its continuing economic and social problems meant that its failure to pay the minimum

amount necessary to avoid the application of Article 19 was clearly due to conditions beyond its control. Other members felt that, while the Comoros might have difficulty in paying the necessary minimum amount of over $700,000, it could at least have paid the amount of approximately $17,000 necessary to avoid a further increase of its arrears. They questioned the commitment of the Comoros to meeting its financial obligations to the United Nations and recalled that the last payment it had made, in 2001, had come after the Committee's sixtieth session, when it did not agree to recommend an exemption under Article 19 for the Comoros.

56. **The Committee recalled that, in recommending an exemption under Article 19 at its last session, it had urged the Comoros to pay particular attention to its arrears to the United Nations and to make an additional effort to make some payment of its assessed contributions so as to reduce, or at least avoid a further increase of, its arrears. The Committee had agreed to review any further requests from the Comoros in the light of its payment record. The Committee noted that in the meantime no payments had been made by the Comoros. The Committee also recalled that, in its resolution 58/1 A, the General Assembly had agreed that the failure of the Comoros to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control, while noting the Committee's observations.**

57. **The Committee noted the information provided by the representative of the Comoros that a committee of the newly elected parliament was considering the question of the arrears of the Comoros with a view to meeting its obligations and his expectation that this would be the last request from his Government for an exemption under Article 19.**

58. **In the light of the foregoing, and notwithstanding serious reservations about the payment record of the Comoros, the Committee understood that the Comoros would not be able to pay the full amount necessary to avoid the application of Article 19 before 31 December 2004. It therefore recommended that the Comoros be permitted to vote until 30 June 2005, based on the information provided by the representative of the Comoros that the Comoros will not request another exemption under Article 19 without making payments to start reducing its outstanding assessed contributions to the United Nations. The Committee encouraged the Comoros to consider presenting a multi-year payment plan as a way of gradually reducing its outstanding assessed contributions to the Organization.**

4. Guinea-Bissau

59. The Committee had before it the text of a letter dated 16 April 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 6 April 2004 from the Permanent Representative of Guinea-Bissau to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of Guinea-Bissau.

60. In its written and oral representations, Guinea-Bissau recalled the political problems that it had faced since 1998. After a civil war, coup d'état and elections, there had been another coup d'état in 2003. Following the resignation of the former president, a transitional interim president was named, legislative elections were held in March 2004 and a presidential election is due to take place next year. The

political instability exacerbated the country's underlying economic and social problems and the Government lacks the financial means to meet the most basic needs of the population, such as health and education. In that context, many civil servants have not been paid for months and schools were closed since teachers could not be paid. Notwithstanding these problems, the Government remains committed to paying its contributions to the United Nations and is keeping the possibility of submitting a multi-year payments plan under continuous consideration as the situation normalizes.

61. The Committee was provided with information by the Secretariat concerning the improvements in the country's situation since last year. Following the coup d'état last year and the resignation of the president, national agreement on a political transition was reached with the assistance of the Community of Portuguese-speaking Countries. The legislative elections held in March 2004 were judged to be free and fair by international observers and a presidential election is scheduled for March 2005. Despite this progress, the country faces many serious economic and social problems. International assistance in tackling these problems will be needed and a special fund was created, administered by UNDP. Of the $18 million called for in an emergency economic plan, $4 million has so far been received. This had permitted payment of part of the salaries owed to civil servants. For the longer term, it was hoped to convene a round-table conference by the end of this year to raise international support. It was noted that the lack of a banking system was a problem for potential private investment but that some oil exploration activities had begun.

62. **The Committee concluded that the failure of Guinea-Bissau to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Guinea-Bissau be permitted to vote until 30 June 2005.**

63. **The Committee noted that, between 1995 and 1997, Guinea-Bissau had steadily reduced its arrears but that since that time its arrears had increased. The Committee urged Guinea-Bissau to resume making payments so as to once again reduce its arrears. In that context, the Committee noted the intention of Guinea-Bissau to establish a multi-year payment plan and encouraged it to submit such a plan as soon as possible.**

5. Iraq

64. The Committee had before it the text of a letter dated 13 May 2004 from the Chargé d'affaires of the Permanent Mission of Iraq to the United Nations addressed to the Chairman of the Committee on Contributions. It also had before it the text of a letter dated 14 May 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 11 May 2004 from the Chargé d'affaires of the Permanent Mission of Iraq to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of Iraq.

65. In its written and oral representations, Iraq pointed to the devastation wrought by more than two decades of war and the effects of a decade of international sanctions. In addition to the human cost, there had been immense destruction of the country's infrastructure, with destruction of water, desalination and sewage plants and electricity, roads and schools. As a result, living standards had fallen sharply and there was a very high level of unemployment. Although Iraq has enormous

potential, with large oil reserves, hydroelectric potential and a skilled population, the immediate problems of reconstruction were vast. In addition the country had been saddled by the previous regime with external debts of approximately $120 billion. In the light of the current situation, Iraq was not in a position to pay what it owed to the United Nations, although it hoped to do so next year, when oil production had increased.

66. The Committee was provided with information by the Secretariat concerning the scale of the problems facing Iraq following decades of war and international sanctions. Although resources were being mobilized and reconstruction efforts were under way, the task was enormous and the process was hampered by the security situation. At the same time, there was great natural and human potential and progress on both fronts should be mutually reinforcing. The Committee also noted the political transition currently under way, with the establishment of an interim government, followed by elections no later than January 2005 leading, after a transitional process, to a constitutionally elected government by the end of 2005.

67. **The Committee recognized the exceptional problems faced by Iraq and the complex transitional process under way and concluded that the failure of Iraq to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Iraq be permitted to vote until 30 June 2005.**

68. **The Committee welcomed the indication of Iraq's commitment to meet its financial obligations to the United Nations and encouraged it to endeavour to resume payments at the earliest opportunity and to consider presenting a multi-year payment plan as a way of gradually reducing its outstanding assessed contributions to the Organization.**

6. Niger

69. The Committee had before it the text of a letter dated 24 May 2004 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 21 May 2004 from the Permanent Representative of the Niger to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of the Niger.

70. In its written and oral representations, the Niger recalled that it was one of the least developed countries and poverty was a major problem. It had also had internal difficulties, including a coup d'état. Democracy had been restored in 1999 but some of the Niger's very limited resources had to be applied to the conduct of elections and to national reconciliation and conflict prevention. Government resources were stretched and payments were in arrears for pensions, salaries and scholarships. The Niger was committed to meeting its financial obligations to the United Nations, had submitted a schedule of payments and had made a payment of over $27,000. It was also an active participant in United Nations peacekeeping operations.

71. The Committee was provided with information by the Secretariat concerning the process of democratization in the Niger, which was proceeding on schedule. The country had a population growth rate of about 3 per cent and, despite some progress, it was difficult to reduce poverty significantly. In that effort, the Niger was heavily

dependent on foreign assistance. While significant pledges had been made, it remained to be seen what the level of disbursements would be.

72. Some members considered that the Niger's circumstances as a highly indebted least developed country meant that its failure to pay the minimum amount necessary to avoid the application of Article 19 was clearly due to conditions beyond its control. Other members had doubts and noted that no payments had been made from 1999 to 2003. They did, however, welcome the indication that a payment was being made in 2004.

73. **The Committee welcomed the fact that the Niger had submitted a multi-year payment plan as a way of reducing its arrears to the United Nations. It also welcomed confirmation of the receipt of the first payment under that plan.**

74. **Based on the foregoing, the Committee concluded that the failure of the Niger to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Niger be permitted to vote until 30 June 2005.**

7. Republic of Moldova

75. The Committee had before it the text of a letter dated 21 May 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 20 May 2004 from the Permanent Representative of the Republic of Moldova to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of the Republic of Moldova.

76. In its written and oral representations, the Republic of Moldova indicated that, in spite of some recent economic progress, it still faced serious challenges. Its economy had still not recovered to pre-1990 levels and it had one of the lowest levels of per capita income in Europe. Although it was trying to resolve the internal conflict in the eastern region, that area, which accounted for 45 per cent of the industrial potential, was not under the Government's control. In addition, the unresolved conflict was damaging to trade and, through smuggling, had a negative impact on government revenues. The Republic of Moldova is a heavily indebted low income country and it was working to resolve issues outstanding with the international financial institutions. As a result of this situation, the Republic of Moldova was currently not able to pay its outstanding assessed contributions to the United Nations in full. It remained committed to meeting its financial obligation to the Organization, however, and was continuing to honour the payment schedule that it submitted in 2001.

77. The Committee was provided with information by the Secretariat concerning the continuing serious problems faced by the Republic of Moldova, including the separatist problem in the Trans-Dniester region. Despite recent progress, the Republic of Moldova was one of the poorest countries in Europe. The Government's budget had increased significantly, with a 23 per cent increase in pensions, and IMF had suspended its programme in 2003.

78. **The Committee noted with appreciation that, despite its continuing problems, the Republic of Moldova had fulfilled the commitments that it made under the plan that it submitted in 2001 and that it had more than met the payments scheduled for 2001-2003 and had made an initial payment in 2004.**

79. **The Committee concluded that the failure of the Republic of Moldova to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that the Republic of Moldova be permitted to vote until 30 June 2005.**

8. Sao Tome and Principe

80. The Committee had before it the text of a letter dated 21 May 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 20 May 2004 from the Chargé d'affaires a.i. of the Permanent Mission of Sao Tome and Principe to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by a representative of Sao Tome and Principe.

81. In its written and oral representations, Sao Tome and Principe pointed to its continuing economic problems. It was currently dependent on production of a few commodities, including cocoa, whose world price had fallen while import prices had gone up. Poverty was a major problem and unemployment remained high. The country's external debt of $364 million was 19 times its export earnings. While prospective oil exploration held considerable promise, only one of nine blocks had been allocated so far and no oil revenues had yet been received. Sao Tome and Principe recalled that, prior to the lowering of the minimum rate of assessment in 1998, it had been the most overassessed Member State. It was nevertheless committed to meeting its financial obligations to the Organization, when it was able to do so.

82. The Committee was provided with information by the Secretariat concerning the situation in Sao Tome and Principe. A coup d'état last year had been reversed quickly and the political situation had improved. Efforts for national reconciliation were continuing but the situation remained fragile. The current economic position was also very difficult. While there were high hopes for oil revenue in the future, immediate prospects were uncertain and substantial amounts were unlikely before 2006-2010. A meeting of the Community of Portuguese-speaking Countries in July 2004 will consider budgetary issues.

83. Some members felt that the country's continuing economic problems fully justified the conclusion that the failure of Sao Tome and Principe to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. While the situation might change if oil revenues were forthcoming, this was unlikely to happen for some time. Other members were not convinced that Sao Tome and Principe could not pay at least part of its arrears, given its expected revenues in 2004. They noted that one estimate of the signature bond that should be paid this year on the exploration block that had been allocated was $70 million. While this was not certain, they noted that the total outstanding assessed contributions of Sao Tome and Principe to the United Nations were less than 1 per cent of this amount.

84. **The Committee noted with concern that Sao Tome and Principe had failed to make the payment scheduled for 2003 in the multi-year payment plan that it submitted in 2002 and had made no payments so far in 2004. The Committee urged it to resume the payments provided for in its multi-year payment plan so as to reduce its arrears to the United Nations.**

85. **Having considered the information provided, the Committee concluded on balance that the failure of Sao Tome and Principe to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Sao Tome and Principe be permitted to vote until 30 June 2005.**

9. Somalia

86. The Committee had before it the text of a letter dated 24 May 2004 from the Acting President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 21 May 2004 from the Permanent Representative of Somalia to the United Nations addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Somalia.

87. In its written and oral representations, Somalia referred to the devastating impact of the civil war that had raged since 1991. There had been no government until 2001, with the establishment of the Transitional National Government. Political and security problems continued, however, with attacks by warlords. A peace conference is under way in Nairobi, with the goal of elections and a new national government. In addition to the political problems facing the country, drought had adversely affected livestock exports, as had restrictions imposed by some importing countries. In addition, the freezing of the assets of the major banking institution had impeded remittances and economic activity. Somalia recognized its international obligations and, once a government of national unity was formed, it would consider how to deal with those obligations.

88. The Committee was provided with information by the Secretariat concerning the serious consequences of the continuing conflict in Somalia. The Transitional National Government, whose earlier agreed mandate only ran to August 2003, controlled only part of Mogadishu. Separate administrations exercised some control over "Somaliland" and "Puntland" and other areas were controlled by warlords. Talks are continuing in Kenya, which is pressing for completion of the process. In the meantime, the security situation is adversely affecting the delivery of assistance to the Somali people.

89. **The Committee concluded that the failure of Somalia to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Somalia be permitted to vote until 30 June 2005.**

10. Tajikistan

90. The Committee had before it the text of a letter dated 5 April 2004 from the President of the General Assembly to the Chairman of the Committee on Contributions, transmitting a letter dated 1 April 2004 from the Permanent Representative of Tajikistan to the United Nations transmitting a letter dated 10 March 2004 from the Prime Minister of Tajikistan addressed to the President of the General Assembly. It also heard an oral representation by the Permanent Representative of Tajikistan.

91. In its written and oral representations, Tajikistan indicated that, following the peace agreement in 1998-1999, parliamentary elections had been held and there was now greater political stability. There had also been economic progress in the last few

years but 80 per cent of the population was still below the poverty line. It was also recalled that the country was landlocked and many areas were inaccessible. It had also suffered from a number of natural disasters and a high level of external debt. Despite these problems, Tajikistan was committed to meeting its financial obligations to the United Nations and was making every effort to reduce its arrears to the Organization.

92. The Committee was provided with information by the Secretariat concerning the situation in Tajikistan. While there had been some economic progress, Tajikistan still faced severe economic and social problems. Forty per cent of government revenue went to service debt and this limited the amount available for pressing needs of the population. As a landlocked country, Tajikistan faced higher import costs and instability in neighbouring areas had also had an adverse impact, including border closures.

93. **The Committee noted with appreciation that, despite its continuing difficulties, Tajikistan had fulfilled the commitments that it had made under the plan that it submitted in 2000 and that its payments during 2000-2004 exceeded those scheduled in the plan. Based on the information provided, the Committee concluded that the failure of Tajikistan to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond its control. It therefore recommended that Tajikistan be permitted to vote until 30 June 2005.**

VIII. Other matters

A. Collection of contributions

94. The Committee noted that, at the conclusion of the current session on 25 June 2004, the following seven Member States were in arrears in the payment of their assessed contributions to the expenses of the United Nations under the terms of Article 19 of the Charter and had no vote in the General Assembly: Benin, Cape Verde, Chad, Iraq, Liberia, Malawi and Mauritania. In addition, the following nine Member States were in arrears in the payment of their assessed contributions under the terms of Article 19 but had been permitted to vote in the Assembly until 30 June 2004 pursuant to General Assembly resolution 58/1 A of 16 October 2003: the Central African Republic, the Comoros, Georgia, Guinea-Bissau, the Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan. **The Committee decided to authorize its Chairman to issue an addendum to the present report, as necessary.**

95. Under the provisions of paragraph 8 (a) of its resolution 55/5 B, the General Assembly authorized the Secretary-General to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the calendar years 2000, 2001 and 2003 in currencies other than United States dollars.

96. **The Committee noted that the Secretary-General had accepted the equivalent of $2,069,770.03 from Cyprus, Morocco, Pakistan and Trinidad and Tobago in four non-United States dollar currencies acceptable to the Organization in 2003.**

B. Date of the next session

97. **The Committee decided to hold its sixty-fifth session in New York from 6 to 24 June 2005.**

Notes

[1] *Official Records of the General Assembly, Fiftieth Session, Supplement No. 11A* (A/50/11/Add.2), para. 22.

[2] Ibid., *Fifty-seventh Session, Supplement No. 11* (A/57/11), paras. 17-23.

[3] A/59/67.

[4] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 11* (A/53/11); ibid., *Fifty-fourth Session, Supplement No. 11* (A/54/11 and Corr.1); ibid., *Fifty-sixth Session, Supplement No. 11* (A/56/11); ibid., *Fifty-seventh Session, Supplement No. 11* (A/57/11); and ibid., *Fifty-eighth Session, Supplement No. 11* (A/58/11).

[5] Ibid., *Fifty-fourth Session, Supplement No. 11* (A/54/11).

[6] Ibid., *Fifty-sixth Session, Supplement No. 11* (A/56/11).

[7] A/57/76.

[8] *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 11* (A/56/11), paras. 56-60; and ibid., *Fifty-seventh Session, Supplement No. 11* (A/57/11), para. 24.

[9] Ibid., *Fifty-fifth Session, Supplement No. 11* (A/55/11), chapter IV B; ibid., *Fifty-sixth Session, Supplement No. 11* (A/56/11), chapter III B; ibid., *Fifty-seventh Session, Supplement No. 11* (A/57/11), chapter V; and ibid., *Fifty-eighth Session, Supplement No. 11* (A/58/11), chapter V.

Annex I

Information on measures used by organizations of the United Nations system to encourage the payment of assessed contributions

Organization	UN	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	IAEA	WTO
Due dates	Due within 30 days of receipt of assessment or first day of calendar year, if later	Due 1 January	Due within 30 days of receipt of assessment or first day of calendar year to which it relates, whichever is later	Due within 30 days receipt of assessment or first day of calendar year, if later	Due within 30 days of receipt of assessment or first day of calendar year to which it relates, whichever is later	Due first day of financial year	Due first day of financial year	Due first day of financial year	Due within 30 days of receipt of assessment or first day of calendar year, if later	Due within 30 days receipt of assessment or first day of calendar year, if later	Due first day of financial year	Due within 30 days of receipt of assessment or by first day of calendar year, if later	Due within 30 days receipt of assessment or first day of calendar year, if later	Due on the first day of the financial year
Definition of arrears	One year in arrears as of 1 January following year	In arrears if not paid by 31 December	In arrears as of 1 January following year	In arrears if not paid due date	One year in arrears as of 1 January following year	In arrears if not paid by 1 January	In arrears if not paid by due date	In arrears if more than one year	One year in arrears as of 1 January following year	In arrears if more than one year from due date	In arrears if not paid by due date	One year in arrears as of 1 January following year	One year in arrears as of 1 January following year	One year in arrears as of 1 January of the following year
Time period to trigger sanctions	2 years	2 years	2 years	Current plus immediate preceding calendar year	Preceding 3 years	2 years	2 years	2 years for loss of voting rights; Interest from due date	2 years	One year	Preceding 2 full years not paid	Preceding 2 fiscal years	2 preceding years	1 to 3 full years, progressive
Type of sanctions imposed	Loss of voting rights	Loss of voting rights	Loss of voting rights, membership of Council	Loss of voting rights	Loss of voting rights and share of any surplus	Loss of voting rights	Loss of voting rights and eligibility to governing bodies + interest + conversion of unpaid credits from other debtors owed to the Union restored as arrears of that member to UPU	Loss of voting rights + interest at 3-6%	Loss of voting rights + publications + ineligibility election	Loss of voting rights + ineligibility election	Loss of voting rights	Loss of voting rights	Loss of voting rights	Sanctions progressive: - documentation - representation - loss of training and technical assistance

Organization	UN	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	IAEA	WTO
Application of sanctions - Warning normal? - Automaticity?	In practice Automatic unless suspended by General Assembly	Required Automatic unless suspended by governing body	In practice Automatic unless suspended by governing body	Required Automatic unless suspended by governing body	Yes Automatic unless suspended by governing body	Required Requires decision of World Health Assembly	Required Automatic However, member may (a) agree to assign to Union credit owed to it by other members; or (b) sign agreement with another member that would settle its arrears within 6 weeks; or (c) conclude debt-rescheduling agreement with Union, not to exceed 10 years; or (d) a combination of the above	Not required Automatic unless suspended by governing body	Yes Automatic unless suspended by governing body	Required Requires decision of Assembly	In documents Automatic unless suspended by the Assemblies	In practice Automatic unless suspended by governing body	Required Automatic unless suspended by governing body	Yes Automatic - Monthly statement indicating status
Waiver possible?	Yes for "Conditions beyond control" Voluntary payment plan can be taken into account	Yes for "Conditions beyond control" No provision for annuities	Yes for "Conditions beyond control" but requires payment schedule	Yes for "Conditions beyond control" but normally payment schedule	Yes for "Conditions beyond control" but requires payment schedule	Yes for "Conditions beyond control" but requires payment schedule and is only possible if agreed by the World Health Assembly, which must approve any requests for a rescheduling arrangement before voting rights can be restored	Can only be waived by Congress but requires payment schedule	Yes, by request to Council or Plenipotentiary Conference but requires payment schedule	Can only be waived by WMO Congress Payment schedule	By request for waiver approved by Council Payment schedule	Yes for "Exceptional circumstances" or payment schedule	Yes for "Conditions beyond control" Payment schedule required	Yes for "Conditions beyond control" in connection with approval criteria and guidelines, including payment schedule	No unless suspended by General Council

Organization	UN	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	IAEA	WTO
Annuities used	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
- number paying by annuity	Provision for voluntary payment plans, no automatic link	14	3	33	33	-	-	9	F	-	1	5	2	-
- total arrears involved		CHF22million as of 23/6/04	-	-	$6.2 million as at 31/5/04	-	-	-	-	-	CHF 28K	-	-	- Members with arrears for pre-1988 and at the minimum contribution in 1989 allowed to settle past arrears at the minimum 1989 rate. For each year of arrears settled at the 1989 minimum the full years contribution is considered as settled. The miscellaneous income in the current year funds the balance (Balance of arrears as at 31/05/04, CHF 6 251 555) - Members with arrears for pre-1988 and at above the minimum contribution in 1989 allowed to settle past arrears under an individual settlement plan (Balance arrears as at 31/05/04, CHF NIL)
- maximum period agreed (years)		20	15	3 bienniums	10-15 or more	3-10	10	5-10	10	10	4	3, 5 or 10	5, 10	- No maximum period agreed

Annex II

Amendment to the Financial Regulations and Rules of the United Nations

Replace the text of regulation 3.4 with the following:

Regulation 3.4: Contributions and advances shall be considered as due and payable in full within thirty-five days of the issuance of the communication of the Secretary-General referred to in regulation 3.3 above, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.

04-41555 (E) 220704